construction and other steel related activities in the country after the expiry of the monsoon months.

(d) During 2003-04 India exported 4.835 million tonnes of finished steel showing a growth of 7.3% over the pevious year. However, during the same period, production of finished steel at 36.957 million tonnes also showed a growth of 9.7% over the previous year. Hence, it would not be correct to assume that the steel prices in the domestic market have risen due to rise in exports since exports are normally made out of surplus production. Domestic market prices generally follow international prices and are guided by the landed cost of Imports.

New Steel Policy

991. SHRI RAVI SHANKAR PRASAD: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that Government propose to formulate new steel policy;

(b) if so, the details thereof; and

(c) how far this policy would help to contain domestic cost, check price volatility and encourage exports?

THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) Yes, Sir.

(b) The Government has formulated a draft National Steel Policy (NSP), which targets a production of over 100 million tonnes by 2020. The draft policy was considered by the Cabinet Committee on Economic Affairs (CCEA) who desired that it may be examind by a Committee of Secretaries under Cabinet Secretary and also posted at the website of Ministry of Steel to elicit public opinion.

(c) The basic objective of the NSP is to create enabling conditions for the globally integrated Indian steel industry and to expand its production base adequately in response to the anticipated increase in domestic and overseas demand in the coming decade. On the demand side the proposed policy seeks to bring supply in line with demand and seeks to create incremental demand for steel. On the supply side it

seeks to increase productive efficienty of the Indian steel industry by articulating measures for removing major supply side bottlenecks. The combind effect of all these measures on the supply and demand side would help in containing domestic cost, checking price volatility and increasing international competitiveness of Indian steel, which in turn would boost steel exports.

Merger of IISCO with SAIL

992. SHRI CHITTABRATA MAJUMDAR:
SHRI DIPANKAR MUKHERJEE:

Will the Minister of STEEL be pleased to state:

(a) whether SAIL had sought some precondition from Government before merger of IISCO with SAIL;

(b) if so, the details thereof;

(c) if not, the specific time schedule for completion of merger;

(d) whether any modernization/expansion has been envisaged for Burnpur Works of IISCO in the perspective plan of SAIL;

(e) if so, the details thereof alongwith investment plan for the same; and

(f) if not, the reasons therefor?

THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) and (b) Yes, Sir. Steel Authority of India Limited (SAIL) has stipulated the following preconditions before merger of Indian Iron & Steel Company (IISCO) with SAIL;

(1) Central Government may provide relief towards accumulated losses as on the date of merger through Steel Development Fund (SDF) mechanism as was done in case of merger of Visvesvaraya Iron & Steel Limited (VISL) with SAIL.